

## **SUMMARY RECORD OF THE INPRS CONFERENCE ON PRIVATE PENSIONS IN SOFIA, BULGARIA**

**23-26 APRIL 2001**

1. The First Conference of the International Network of Pension Regulators and Supervisors (INPRS) was held on 24-25 April in Sofia, Bulgaria. In addition to the INPRS Conference, three other events were held:

- On 23 April, a conference on private pensions in Central and Eastern European countries and the New Independent States;
- In the morning of 24 April, a workshop on pension reform in the Baltic States;
- On 26 April, a research seminar was organised in the framework of the international pensions research network, developed by the INPRS.

2. All events were hosted by the Ministry of Labour and Social Policy of Bulgaria, and were co-organised and co-sponsored by the OECD and USAID. Additional sponsorship was provided by the East-West Management Institute and, in the case of the research seminar, by WatsonWyatt. The Conference was attended by 200 government officials, industry experts and academics from 31 countries (approximately half of which were non-OECD Member countries), as well as representatives from four international bodies, namely the European Commission, the Asociación Internacional de Organismos de Supervisión de Fondos de Pensiones (AIOS), the International Social Security Association (ISSA), and the World Bank.

3. A press conference was held during the INPRS conference, at which the main results of the meeting were highlighted. These included:

- The endorsement by the members of the INPRS of the 15 Principles for the Regulation of Private Occupational Pensions.
- The approval, subject to some minor amendments, of the programme of work of the INPRS, which will largely complement that of the OECD Working Party on Private Pensions.
- The decision to establish a Technical Committee of the INPRS to meet at least twice a year, once back-to-back with the Working Party. The first meeting is scheduled for 19 June 2001.
- The proposal by the World Bank and the International Social Security Association (ISSA) to contribute to work on international comparative analysis and development of good practices for private pensions in co-operation with the INPRS.

4. The highlight of the INPRS conference was the agreement on the 15 Principles for the Regulation of Private Occupational Pensions. These principles had previously been approved by the OECD Working Party on Private Pensions at the occasion of its meeting in November 2000. The Principles set out general guidelines for developing an adequate regulatory framework for private occupational pensions. The objective is to promote two essential preconditions for an appropriate development of private pension plans in the world, i.e. the protection of the rights of beneficiaries and the financial security of pension providers.

5. The main purpose of the Baltic States workshop and the conference on Central and Eastern European countries (CEEC) and the New Independent States (NIS) was to promote high-level policy dialogue on private pension reform in the respective regions, with a view to strengthening the private pension systems through efficient regulatory and supervisory issues.

6. The research seminar dealt with financial issues related to retirement provision. Representatives from the academic community also expressed their interest in working with the Network. An agreement has since been reached with a major publishing house to publish the "Journal of Pensions Economics and Finance" in association with the INPRS. The INPRS Secretariat will serve as the managing editor. The first issue is expected in January 2002.

7. Physical outputs from the meetings include a record of proceedings which will appear as a special issue in the Private Pensions Series, as well as the INPRS website which will contain material relating to the conference. The opening sessions of the INPRS Conference were web broadcast live and are now stored in an archive accessible to the general public (<http://www.oecdconference.org/material.htm>).

### **Regional Conference on Private Pension Systems in CEEC and NIS**

8. Madame Helena Conruyt-Angenent, Chairperson of the OECD Insurance Committee, and Dr Peter Boyadjiev, Chairman of the State Insurance Supervision Agency (SISA) of Bulgaria, presided as co-chairs over the proceedings of the Regional Conference on Private Pension Systems in Central and Eastern European Countries and the New Independent States.

9. In their introductory speeches, the Minister of Labour and Social Policy of Bulgaria and the Deputy Chief of Mission, US Embassy in Bulgaria described the wide-ranging pensions reforms that have taken place in Bulgaria since 1996/1997, including the establishment of the mandatory and voluntary private pension schemes in 1999. Both commented on the progress that had been achieved, noting the successful formation of the Bulgarian regulatory authority, SISA, last year. However, both speakers were aware of the challenges ahead, citing the obstacles to the stability of pension schemes posed by deteriorating demographic tendencies and periodic turbulences in the world capital markets.

10. In his opening statements, Mr André Laboul, Executive Secretary of the INPRS and Acting Head of the Financial Markets Division, OECD, highlighted the need amongst most countries to promote private pensions systems to supplement the public pensions system. In order to do so successfully however, it is necessary to ensure that adequate regulatory and supervisory frameworks are in place, and that the appropriate financial markets and instruments are available. It is with these objectives in mind that the INPRS had been established, why it is imperative to develop a global taxonomy of pension plans, to ensure that concepts and terminology are universally understood, and why it is necessary to produce a set of good practice guidelines based on national experience, bearing regional specificities in mind. The CEEC and NIS Conference and the Baltic workshop were intended to provide just such regional foci in the International Network, whilst the research seminar was to be the first gathering of the INPRS' network of academics and government officials.

11. The *first* session of the conference consisted of individual country presentations of recent developments in Bulgaria, Hungary, Poland, Romania and the Czech Republic. Common characteristics and trends in the development of the five CEEC could be identified: greater use of funded pension plans; the rapid accumulation in pension fund assets; and evidence of greater market discipline during recent pension fund mergers and liquidations. The latter development has contributed to reducing the number of pension funds in operation and increased the size of plan membership in individual pension funds. With the exception of Poland, where economic conditions have served as a disincentive for employer-established voluntary pension plans, voluntary plans have proven popular and they are expected to grow further in the future -- the latter being particularly the case in Hungary and the Czech Republic.

12. The links between public and private pensions were the main topics of discussion in the *second* session, with questions raised about definitions of “public” and “private”. A central conclusion drawn by the speakers was that the role of governments in the new multipillar pension plans should not be limited solely to the public tier, as interaction between the public and private spheres is of benefit to all concerned. Public and private institutional interaction leads to reductions in social security expense administration. From a financial perspective, the financial status and level of development of public PAYG schemes have an impact on the development of private pension funds, just as the introduction of occupational pension plans are a means of minimising the liability difficulties of public pension plans. Thirdly, interaction between public social insurance and private pension funds in terms of insurance schemes and pension eligibility requirements provide better social protection in the interest of the elderly. Above all, pension privatisation must not ignore the need to increase government capacity in line with the private sector capacity, thereby ensuring that effective governments are at the forefront of public and private pension schemes.

13. The *third* session was devoted to the topic of supervision of private pensions. The structure of supervisory authorities, levels of supervision, means of supervisory control and key supervisory roles were examined in detail. Competition, stability, transparency and maintenance of public trust in the pension fund system were highlighted as the central issues at stake. The Australian and Polish supervisory systems were used as case-studies, illustrating the differing institutional possibilities of supervision provision available. In Poland, separate supervisory bodies are responsible for the banking, securities, insurance and pension fund industries. In contrast, the supervision of all financial institutions in Australia takes place under a single body.

14. The *break-out sessions*, which took place in parallel with one another in the *fourth* session focused on three aspects of consumer protection: disclosure to members and transparency, marketing and consumer education, and rules on mismanagement and redress mechanisms. Whilst the general principle encouraging disclosure was upheld, the danger of excessive disclosure requirements resulting in unduly inflated administrative costs was emphasised. Moreover, differing disclosure requirements need to be taken into account depending on the type of scheme: considerable transparency is a prerequisite for qualified individual choice schemes, while comparatively less disclosure is needed for suppressed individual choice schemes. Attention was drawn to five good practice disclosure components regarding rules on asset valuation, the frequency of asset valuation, information provided to and concerning the fund managers as well as information provided to the general public.

15. In the session on consumer education, the lack of financial literacy amongst the public was highlighted in the case of the United Kingdom, where knowledge of the pensions system is minimal, despite the existence of one of the longest established pensions systems in the world. Factors which add to the low levels of pensions literacy are *inter alia*, ageism, distrust of the ability of pension schemes to uphold pension promises, and instability due to the frequency of reforms and the complexity of the pensions system. A variety of means of providing the public with information were suggested, ranging from direct channels such as the internet and other media, the use of league tables and communications by

regulatory authorities, to longer term proposals such as financial education in schools. All of these approaches could increase financial literacy and therefore improve consumer choice.

16. Means of minimising pension fund mismanagement which were focused on were: inducing competition amongst pension companies; standardising information provided by companies and therefore providing consumers with comparable markets; offering rating mechanisms for risks and rates of return; providing exit options for pension plan holders to switch companies; establishing a pensions ombudsman to hear complaints; and reconsidering new managerial contracts within pension funds. Above all, the need to apply sound corporate governance principles to pension funds was stressed, as a means of reducing the role traditionally played by direct regulation. In this context, the speaker emphasised the importance of self-regulation in the future, allowing capital markets to serve as the principal basis of good pension fund practice.

### **Workshop on Private Pensions in Baltic Countries (an additional summary record will be provided separately)**

17. Madame Helena Conruyt-Angent, Chairperson of the OECD Insurance Committee, chaired the Baltic Countries workshop. It was attended by 100 participants, including about 20 government officials and private sector representatives from the Baltic countries. In the *first* session, presentations were given by the Latvian, Lithuanian, and Estonian supervisory authorities as well as the World Bank, regarding recent developments in the respective countries and in the Baltic region generally. Gradual reform of the State pensions system has taken place in all three countries over the course of the last 10 years. However, the reform process has not yet been completed. Latvia and Estonia have undergone the most radical changes, and Latvia has introduced the NDC system for the PAYG first pillar. Focus in Latvia and Estonia has now turned to the proposed establishment of funded mandatory (Latvia) and quasi-mandatory (Estonia) occupational pension plans. Concepts of reform goals and means of achieving them have been approved in Lithuania. Challenges still to be resolved include: the transition costs involved; an ongoing debate regarding investment portfolio restrictions and the need to balance foreign investment against internal development investment; and the issues of low coverage and distrust in long term savings resulting from the recent banking and Russian crises. The latter issues proved to be particularly pertinent for voluntary supplementary private pensions previously established by legislation in all three countries.

18. In the *second* session, lessons from pension reform experiences, current problems, and pension reform successes, as well as future expected difficulties were presented, using Hungary, Latvia, and Sweden as examples. A key lesson learnt from the Hungarian experience centred on political risk, particularly the need to maintain the support of all political actors in the pension reform process. Cost-benefit analyses of the speed of transition between the first and second pillars were addressed, as well as more general generational trade-offs, the affordability and adequacy of pension systems, and the risks of investing second pillar pension fund assets in government bonds, in contrast to the benefits of asset diversification.

19. The Baltic country representatives underlined the importance of the seminar and stressed the usefulness of participation at the other international meetings. Such high-level meetings were considered to be a key means of assistance in the development of private pensions in the Baltic States and it was expected that future meetings would play a major role in the continuing progress of private pensions in the region.

## **The First Conference of the International Network of Pensions Regulators and Supervisors**

20. The First Conference of the International Network of Pension Regulators and Supervisors was chaired by Mr Keith Chapman (Australian Prudential Regulation Authority). The INPRS is recognised by its 100 members (national regulatory and supervisory agencies from over 60 countries, as well as international bodies such as the World Bank, ISSA, AIOS, the European Commission and the OECD) as the unique world-wide forum for policy-making in the area of private pensions. As detailed below under the “Closed Session for the members of the INPRS” section, the four key broad objectives of the Network were outlined in the opening session. The INPRS will have a special relationship with the business and the academic communities, the latter through the INPRS’ Academic Network, and regular INPRS member participation will take place via the electronic discussion group. The importance of the regional aspects of the Network were also highlighted, with reference made to the representation of Latin American countries through AIOS, the CEEC regional network currently being established and the proposed establishment of an Asian regional network.

21. The Conference was divided into three main sessions, the *first* of which reviewed the recent developments of private pensions systems in INPRS Member countries, presented by regions. In his Keynote speech, Mr Chris Daykin, Government Actuary, United Kingdom provided a broad overview of global trends, reforms and changes taking place in the pensions world, particularly with regard to regulatory aspects. One such trend is the global shift from social policy to economic policy considerations in the last ten years. More specific aspects referred to were *inter alia* the differing funding methods in operation, differing security safeguards, alternative forms of defined contribution schemes and differing modes of asset accumulation amongst pension funds. Challenges include the conjunction of the development of capital markets with the development of the private pensions system for countries currently establishing private pension plans, whilst the central challenge for countries with older systems in existence is the maintenance of satisfactory levels of defined benefit despite the growing emphasis on defined contribution schemes.

22. Key issues regarding recent developments in OECD and Asian countries are the introduction of more individual choice over investment allocation in Asian countries with provident fund systems, increasing tendencies to introduce defined contribution plans in many OECD countries, and the establishment of pre-funding in various PAYG public pensions systems. Recent proposals addressed by AIOS related to the means of minimising administrative costs and the possibility of portability of pension funds between AIOS Member countries. In addition, a recent trend in Latin American countries includes the consolidation of pension fund with banking and insurance supervisory authorities. In the CEEC, the merger between pension funds was highlighted, as well as the increased establishment of funded pension plans and the increase in pension fund assets.

23. In the *second* session, dealing with issues related to private pension systems, presentations were made by country representatives from China, the United Kingdom and Turkey, as well as by the OECD Secretariat. As a result of the planned reduction in the first and third pillar combined pension replacement rate from 86% to 60%, recent focus in China has turned to the further development of voluntary defined contribution individual account occupational pension plans, which should make up the shortfall and even increase it to 90%. Employer and employee contributions will be set at 4% each, with tax preferential treatment for the contributions.

24. Details of the recently established UK voluntary defined contribution “stakeholder” pensions were given. They provide a limited-cost, privately funded supplement to the basic State pension, with administrative costs capped at 1% of assets. As from 8 October 2001, all employers with 5 or more employees that do not offer other pensions arrangements will be required to allow employees to contribute to the stakeholder pensions by deductions from their salary. Employer contributions will not be compulsory. Types of providers include the usual financial institutions as well as more unusual players such as retail firms and trade unions. Employers and providers are liable to fines of up to US \$75,000 if they do not comply with the law.

25. The Individual Pension, Savings and Investment System Act was passed in Turkey in April 2001, to take effect from October 2001. The Act introduced third pillar, supplementary voluntary defined contribution pension plans in Turkey. The regulatory and supervisory framework will be developed over the course of the year.

26. The Secretariat's presentation focused on the Network's Data Collection project, which consists of three main axes: the collection of up-to-date, consistent and comparable country information on private pension systems; the taxonomy of world private pensions; and the creation of an interactive website with an electronic database as well as electronic discussion groups. Work on the first axis has already begun, with the systematic collection of private pensions information on OECD Member countries. It is planned to extend the work to Latin American and CEEC. The key reason for the launch of the global private pension taxonomy project relates to the controversy over general classifications and definitions of terms used in the pensions industry. Definitions will centre on the meaning of different types of pension plans and pension funds. Other on-going and future OECD projects are *inter alia* the serial publication of pension fund statistics, the development of the database on pension plan coverage and contribution/benefit flows, the extension of the statistical collection to CEEC as well as co-ordination with AIOS for Latin American countries, and the development of the pensions network website and database.

27. Within the framework of the *third* session of the INPRS Conference relating to selected regulatory and supervisory issues of pension funds, the first focus of attention was on pension fund governance. Detailed analysis of the role played by the Bulgarian regulatory authority, SISA, was provided, with examination made of the structure and management characteristics of supplementary pension insurance institutions, and the supervision and control over the administration as well as the management of pension fund companies and pension funds. One means of control is the separation of pension fund assets from those of the managing company. Another means is the planned establishment of trustee funds in Bulgaria with employer/employee representation. Successful control of private pension funds and companies was emphasised as the primary role of the regulatory authorities, above all in order to safeguard members' deposits, to instill a sense of security and credibility in the new Bulgarian second and third pillar pension plans, and to thereby contribute to their overall success.

28. The structure and operation of pension funds from the perspective of OECD Member countries was examined in the ensuing presentation. Differences in the legal forms of pension funds around the world were highlighted, as were the affects that these have on the structure of the pension funds. Three aspects of governance regulation were analysed: the governance structure of pension funds; the responsibility and duties of governing bodies; and suitability requirements. Further work on pension fund governance will take place at the Working Party on Private Pensions' meeting in June 2001, after which the discussions will be extended to the wider INPRS group of Members.

29. The European Union's draft directive on institutions for occupational retirement provisions focuses on the governance and investment of occupational pension assets. It aims to find a balance between security and profitability, introducing fiduciary duties on the administrators of these institutions to disclose a statement of investment policy as well as information on the fund to plan participants. Other EU initiatives aim to minimise the obstacle to a single market for occupational pensions posed by differing Member states' taxation policies and legislation. An EU Communication was recently issued containing proposals to improve the exchange of information on cross-border pensions between Member states and explores ways of dealing with the diversity of Member states' existing taxation systems.

30. In the examination of the Irish experience of the regulation of pension schemes, the importance of the Pensions Act 1990 was emphasised, particularly regarding the establishment of the Pensions Board. A key principle of Irish pension regulation is the maintenance of balance between necessary regulation and excessive cost, on the basis of detailed regulation and light supervision. Details of the Pensions Board and trustees were provided, as well as the ongoing volume of work being undertaken by the Pensions Board long after the establishment of the Irish pensions system.

31. The second part of the session on selected regulatory and supervisory issues of pension funds concentrated on investment management and regulation. Investment diversification and its attractions in terms of risk-return profiles was addressed, particularly with regard to the possibility of operating equity return swap contracts on an international basis. The key advantages of entering into such contracts would be to maintain a balance between foreign and domestic market investments, as well as ensuring the minimum amount of international monetary flows between the counterparty countries. In the ensuing presentations, country studies of the Italian and Brazilian methods of pension fund investment regulation and management were provided. Similarities include general acceptance of the prudent person principles, concerns over liquidity due to relatively high allocations of investments in real estate, and awareness of the importance of providing positive rates of return in the early years of a new system in order to guarantee popular acceptance of the system. In the brief overview of the South African regulation requiring pension funds to earn at least four percent more than the rate of inflation, it was emphasised that the regulation had been enacted as a means of preventing the overburdening of the social security system following the end of the Apartheid era.

32. According to the OECD survey of investment regulation on pension funds, a transparent use of quantitative rules and prudent person principles is to respectively regulate investment outcomes and investment processes. Despite the fact that most OECD Member countries impose flexible investment limits, only the pension funds in two countries had significant investments abroad, thereby highlighting the aversion of foreign investment even amongst OECD countries. Approximately half of the OECD Member countries surveyed impose investment limits in order to limit the risk exposure of the sponsor, and some investments in pension funds have in fact already approached these limits. Conclusions drawn from the OECD-approved Principles for the Investment Regulation of Pension Funds and Insurance Companies were that minimum levels of investment should not be imposed on pension funds, that it is justifiable to have limits on self-investment and that a list of securities and assets to be invested in should be completed.

33. The 15 Principles for the Regulation of Private Occupational Pension Plans were discussed and endorsed in the *Closed Session* for the members of the INPRS. The principles were designed to safeguard the interests of beneficiaries and ensure the efficient running of private occupational pension plans. These benchmark principles cover areas ranging from supervision to investment policy. They had previously been approved by the OECD Working Party on Private Pensions in November 2000. The principles are unique in the area of private pension systems, as they represent the first good practice guidelines agreed by an international body of this kind. Principles and good practices have been developed for other sectors such as insurance, securities trading and banking and are now used for financial assessments by the IMF and

World Bank as well as having been endorsed by the Financial Stability Forum. The pension principles endorsed by the INPRS serve to fill the gap in the international best practice of financial regulation.

34. The second topic discussed in the Closed Session concerned the International Network of Pensions Regulators and Supervisors itself. The Network's structure and programme of work were examined and approved, including its objectives and membership. The agreed objectives were:

- To provide a forum for policy dialogue and exchange of information between members on regulatory , supervisory and financial issues, with a view to promote:
  - the development of private pensions systems complementary to public systems.
  - the development of adequate regulatory structures and financial infrastructures.
  - the recognition/identification of good practices and principles.
- To share any related research and information.
- To organise yearly a high level conference of private pensions regulators and supervisors and other relevant meetings.
- To examine the feasibility, opportunity and possible modalities of strengthening international co-operation between members of the International Network (for instance through the creation of a formal organisational structure).

35. It was agreed that a Technical committee of the INPRS shall be established to consider the Network's work programme. It will be composed of members from all the regions of the world, although not necessarily on a country-by-country basis. Precise Member representation on the committee was discussed, as well as its size and the financing of the Network as a whole. Nominations of Members should have been sent to the Network's Secretariat by 11 May 2001. It was also agreed that an Executive board will be established, which will act as a subset of the Technical Committee and whose duty will be to oversee the work of the INPRS. Further duties will be decided by the Technical Committee following its establishment. The presentation of the INPRS website which ensued highlighted the potential of web communication for Members of the Network, allowing the possibility of interactive web use via username and password protected group discussions, access to the INPRS database and PDF versions of relevant publications and guidelines. Connections between the regional AIOS and CEEC websites would also be available and future regional websites would also be connected.

36. In analysing the programme of work of the INPRS, it was decided that the Network will initially focus its efforts on finalising the taxonomy exercise, which aims to develop a classification and terminology for private pension systems. Policy analysis and discussion will focus on governance, investment, and supervision. Guidelines and good practices will also be developed for these specific topics.



## International Pensions Network Research Seminar

37. The research seminar was chaired by Dr J. Michael Orszag (Centre for Pensions and Social Insurance, University of London, Birkbeck College). It was attended by over 150 regulators, government officials, private sector representatives, academics and journalists. In the first session, a new approach to retirement investment was presented: a swap contract approach, which takes advantage of recent market innovations and advances in finance theory to improve the risk-reward opportunities available to individual investors before and after retirement. Three elements formed the basis of this approach: the use of inflation-protected bonds to hedge a minimum standard of living after retirement; the individual's willingness to postpone retirement; and the use of option "ladders" to lever growth in retirement income.

38. In the second presentation's study of products for retirement income, it was highlighted that present and past government policies tend to focus on pre-retirement savings in the establishment of pension schemes, despite the reality of continuing increases in life expectancy and the need to generate greater focus on post-retirement savings structures. Issues that were examined were *inter alia* the benefits of pooling survival risk insurance against longevity on an intra- rather than intergenerational basis; the role played by risk management in post-retirement assets; and the need for greater flexibility in post-retirement income structures.

39. The third presentation of the morning session concentrated on life insurance liabilities, interest rate risk and the problems that they have caused in countries such as the United States, France and Japan. It was argued that the mathematical model presented was of key importance in minimising the problem and in constructing fair insurance liability contracts.

40. The final session of the research seminar was divided into country-specific analyses: the first on the price of retail investing in the United Kingdom, the second on micro-modelling of early retirement in Belgium. A clear conclusion to be drawn from the study of the price of retail investing is that greater disclosure could lead to a significant reduction in the cost of retail investing. By computing various indicators of benefit entitlement, the study on causes of early retirement in Belgium concluded that social security-based financial incentives encourage most workers to retire at the earliest possible stage. As such, reforms of these incentives have the potential to change current retirement patterns in Belgium and hence alleviate the financing problems of Belgium's public retirement system.

# INPRS

INTERNATIONAL NETWORK OF PENSIONS REGULATORS AND SUPERVISORS

## PRIVATE PENSIONS CONFERENCE

*Hosted by*



**The Ministry of Labour and Social Policy of Bulgaria**

*Co-organised and Co-sponsored by*

Organisation for Economic Co-operation and Development



Organisation de Coopération et de Développement Économiques



United States Agency for International Development (USAID)

*Additional sponsorship provided by:*

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### AGENDA

*National Palace of Culture, Sofia, Bulgaria  
23-26 April 2001*

# INPRS

## INTERNATIONAL NETWORK OF PENSION REGULATORS AND SUPERVISORS

- The Network was established on the occasion of the OECD Forum on Private Pensions, organised in Prague on 3-7 April 2000.
- Currently, the Network comprises **over 100 regulatory and supervisory authorities from over 50 countries** around the world.
- Members include also regional networks as the **AIOS** (Association of Latin American Pension Supervision Authorities) and a **Central and Eastern European regional network**, as well as international bodies such as the **Organisation for Economic Co-operation and Development (OECD)**, the **European Commission**, the **World Bank**, and the **International Social Security Association (ISSA)**.
- The main objective of the Network is to provide a forum for **policy dialogue and exchange of information** between members on regulatory, supervisory and financial issues, with a view to promote:
  - ✓ the development of private pensions systems complementary to public systems
  - ✓ the development of adequate regulatory structure and financial infrastructure
  - ✓ the implementation of best practices and principles
- Other objectives include the sharing of any related research and information and the organisation of an **annual high level conference** of private pensions regulators and supervisors and other relevant meetings.
- The Network will examine the feasibility, opportunity and possible modalities of strengthening international co-operation between its members - for instance through the creation of a formal organisational structure.
- The Network is serviced by the **OECD**, with support from various institutions, including **USAID**, **EWMI**, and the **Centre for Pensions and Social Insurance**.

## REGIONAL CONFERENCE ON PRIVATE PENSION SYSTEMS IN CEEC AND NIS

*Chairs:* Peter Boyadjiev (Chairman of SISA, Bulgaria),  
Helena Conruyt-Angenent (Chair of the OECD Insurance Committee).

### MONDAY 23<sup>rd</sup> APRIL 2001

8.00 - 9.00 Participants registration

#### 9.00 - 9.30 Opening session

*Speakers:* Ivan Neikov (Minister of Labour and Social Policy, Bulgaria), Richard Miles (US Ambassador to Bulgaria), André Laboul (INPRS and OECD Secretariat).

#### 9.30 - 11.00 Session 1: Recent developments, country surveys (presented by countries)

11.00 - 11.30 Coffee break

#### 11.30 - 13.00 Session 2: Links between public and private pension systems

*Speakers:* Katharina Mueller (Germany), Jordan Hristoskov (NSSI, Bulgaria), Marek Gora (Poland)

13.00 - 14.30 Lunch

#### 14.30 - 16.00 Session 3: Supervision of private pensions

*Speakers:* Tibor Parniczky (Regional Network Coordinator, Hungary), Keith Chapman (Australia), Pawel Pelc (Poland)

16.00 - 16.30 Coffee break

#### 16.30 - 17.45 Session 4: Consumer protection - parallel discussion groups

##### **A: Disclosure to members, transparency**

*Moderator:* Nikolai Slavchev (Bulgaria)

*Speakers:* Zoran Anusic (World Bank), Mihaly Erdös (Hungary).

##### **B: Marketing and consumer education**

*Moderator:* Katharina Mueller (Germany)

*Speakers:* Edward Whitehouse (Axia Economics), Michael Orszag (Centre for Pensions and Social Insurance).

##### **C: Rules on mis-management, redress mechanisms**

*Moderator:* Rosa Chiappe (Carana Corporation)

*Speakers:* Robert Gal (Hungary), Alejandro Forte (Mexico)

#### 17.45 – 18.00 Closing session

#### 18.30 Reception

## WORKSHOP ON PRIVATE PENSIONS IN BALTIC COUNTRIES

*Chair:* Helena Conruyt-Angent (Chair of the OECD Insurance Committee).

**TUESDAY 24<sup>th</sup> APRIL 2001**

**9.00 - 10.00 Session 1: Recent developments, country surveys (presented by countries)**

*Speakers:* Janis Bokans (Latvia), Irma Lazickiene (Lithuania), Kadi Oorn (Estonia), David Lindeman (World Bank)

**10.30 - 12.30 Session 2: Comments and discussion on Baltic countries**

*Moderator:* David Lindeman (World Bank)

*Speakers:* Dace Brencena (Latvia), Edward Palmer (Sweden), Zoltan Vajda (Hungary)

**12.30 - 12.45 Closing session**

## FIRST CONFERENCE OF THE INTERNATIONAL NETWORK OF PENSIONS REGULATORS AND SUPERVISORS

*Chair:* Keith Chapman (APRA, Australia)

**TUESDAY 24<sup>th</sup> APRIL 2001**

**14.30 - 14.45 Opening session**

-- **General presentation on the Network (aims, activity, organisation)**

*Speaker:* André Laboul (Secretariat)

**14.45 - 16.30 Session 1: Recent developments of private pension systems in INPRS member countries (presentation by regions)**

*Keynote speech:* Chris Daykin (Government Actuary, UK)

*Speakers:* OECD and Asian countries (Annette Yunus, Secretariat), Latin American - AIOS countries (Olivier Castro, Chairman of AIOS), Central and Eastern European countries (Tibor Parniczky, Regional Network Coordinator).

**17.00 - 18.00 Session 2: Issues related to private pension systems**

- a) **Selected issues**
- b) **Data collection on private pensions (structure of the world data-base, process of data-collection and key indicators of private pension systems)**
- c) **Taxonomy of private pension systems**

*Speakers:* Sun Jianyong (People's Republic of China), Joe Robertson (OPRA, United Kingdom), Juan Yermo (Secretariat).

**19.00 Reception**

# **FIRST CONFERENCE OF THE INTERNATIONAL NETWORK OF PENSIONS REGULATORS AND SUPERVISORS**

**WEDNESDAY 25<sup>th</sup> APRIL 2001**

**9.00 - 10.45 Session 3: Selected regulatory and supervisory issues of pension funds**

**a) Pension fund governance**

*Speakers:* Nikola Abadjiev (Bulgaria), Annamaria Marossy (Secretariat), Christian Schedel (European Commission), Mary Hutch (Ireland).

10.45 - 11.15 Coffee break

**11.15 - 13.00 Session 3: Selected regulatory and supervisory issues of pension funds**

**b) Investment management and regulation**

*Speakers:* Zvi Bodie (Boston University), Juan Yermo (Secretariat), Ambrogio Rinaldi (COVIP, Italy), Jose Ferreira Savoia (Secretaria de Previdencia Complementar, Brazil).

13.00 - 14.30 Lunch

**14.30 - 16.00 Closed session for the members of the INPRS**

- a) Discussion and approval of the principles on regulation of occupational private pensions**
- b) Discussion and approval of the status and the programme of work of the INPRS**
- c) Establishment of the Technical Committee**

16.00 – 16.30 Coffee break

**16.30 - 17.30 Closing session**

- conclusion of the meeting
- future of the Network
- co-operation with private sector and academic community

## INTERNATIONAL PENSIONS NETWORK RESEARCH SEMINAR

**THURSDAY 26<sup>th</sup> APRIL 2001**

**9:15 – 9:30 OpeningSession**

**9:30 – 10:30 Morning Session**

Zvi Bodie (Boston University)

10:30-11:00 Coffee break

**11:00 – 12:30 Morning Session (cont.)**

Mike Wadsworth (Watson Wyatt Worldwide)

Peter Jorgensen (University of Aarhus, Denmark)

12.30 - 14.00Lunch

**14.00 – 15.00 Afternoon Session**

Kevin James (Financial Services Authority, United Kingdom)

15.00 - 15.30Coffee break

**15.30 - 17.00Afternoon Session (cont.)**

Alain Jousten (University of Liege, Belgium)

**17.00 – 17:15 Closing remark**

# PRIVATE PENSIONS CONFERENCE, April 2001, Sofia

## List of participants

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	Name	Position	Agency	Country
1	Keith Chapman	General Manager	Australian Prudential Regulation Authority	Australia
2	Alain Joustien	Professor	University of Liege and CEPR	Belgium
3	Christian Schedel	National Expert	European Commission	Belgium
4	Helena Conruyt-Angenent	General Advisor	Ministry of Economic Affairs	Belgium
5	Jose Ferreira Savoia	Secretario - Adjunto	Secretaria da Previdencia Complementar	Brazil
6	Doncho Barbalov	Senior Advisor	USAID - Bulgaria	Bulgaria
7	Hristina Mitreva	Chief Actuary	National Social Security Institute	Bulgaria
8	Ivan Neykov	Minister	Ministry of Labour and Social Policy of the Republic of Bulgaria	Bulgaria
9	Jordan Hristoskov	Governor	National Social Security Institute	Bulgaria
10	Nick Stuparich	Consultant	Pension Project USAID - Bulgaria	Bulgaria
11	Nikola Abadjiev	Director Financial Department	State Insurance Supervision Agency	Bulgaria
12	Pedro Souss	IT Consultant	Pension Project USAID - Bulgaria	Bulgaria
13	Peter Boyadjiev	Chairman	State Insurance Supervision Agency	Bulgaria
14	Rosa Chiappe	COP	Pension Project USAID - Bulgaria	Bulgaria
15	Duan Dongwen	Deputy Director	Department of International Cooperation, Ministry of Labour and Social Security	China
16	Sun Jianyong	Deputy Director General	Department of Social Insurance Fund Supervision, Ministry of Labour and Social Security	China
17	Xu Genhua	Senior Manager	China Galaxy Securities Co.	China
18	Zhou Li		China Construction Bank	China
19	Alejandro Matamoros Bolanos	Miembro del Consejo	Consejo Nacional de Supervision del Sistema Financiero	Costa Rica
20	Olivier Castro Perez	Superintendente de Pensiones	Superintendencia de Pensiones	Costa Rica
21	Zoran Anusic	Senior Economist	World Bank	Croatia
22	Blanka Krivanova	Officer of Pension Funds Department	Czech Securities Commission	Czech Republic
23	Blanka Mokra	Deputy Director of Pension Funds Dep.	Czech Securities Commission	Czech Republic



24	Jaroslava Feistauerova	Senior Official (Actuary)	Ministry of Labour and Social Affairs	Czech Republic
25	Peter Jorgensen	Associate Professor	University of Aarhus	Denmark
26	Joe Robertson	Pensions Regulatory Director	Occupational Pensions Regulatory Authority (OPRA)	England
27	Arbo Kalk	Head of Department/Investment Funds Supervision Department	Securities Inspectorate of Estonia	Estonia
28	Gert Tiivas	Managing Director	Tallinn Stock Exchange	Estonia
29	Jaanus Erlemann	Chairman of the Supervisory Board	Estonian Central Depository for Securities	Estonia
30	Kadi Oorn	Specialist	Ministry of Finance	Estonia
31	Martin Rajasalu	Project Manager	Estonian Insurance Association	Estonia
32	Taivo Saar	Chairman of Board	Seesam Life Insurance Company	Estonia
33	Annette Yunus		OECD	France
34	Axel Oster	Oberregierungsrat, International Affairs Unit	Bundesaufsichtsamt für das Versicherungswesen	Germany
35	Frank Janotta-Simons	Regierungs Direktor	Federal Ministry of Finance	Germany
36	Katharina Muller	Research Fellow	European University Viadrina	Germany
37	Andrea Deak	Deputy Head of International Department	Hungarian Financial Supervisory Authority (HFSA)	Hungary
38	Mihaly Erdos	Senior Advisor to the President	Hungarian Financial Supervisory Authority (HFSA)	Hungary
39	Robert Gal	Senior Researcher	TARKI Social Research Centre	Hungary
40	Tibor Parniczky	Director of Pension Reform Program	East-West Management Institute	Hungary
41	Zoltan Vajda	Analyst Economist	Hungarian Financial Supervisory Authority (HFSA)	Hungary
42	Zsuzsanna Roman	Head of Division, Department of Social Expenditure	Ministry of Finance	Hungary
43	Mary Hutch	Head of Information and Training	The Pensions Board	Ireland
44	Ambrogio Rinaldi	Director of Supervision	COVIP, Italian Supervision Authority on Pension Funds	Italy
45	Maher Al-Hussein	Director General	Insurance Regulatory Commission	Jordan
46	Kee-Chul Shin	Head of Private Pension Supervision Team	Financial Supervisory Service	Korea
47	Yeong-Ho Woo	Deputy President	Korea Securities Research Institute	Korea
48	Dace Brencena	Director of Domestic Financial Resources Department	The treasury of the Republic of Latvia	Latvia
49	Ilonda Stepanova	Deputy Director	Ministry of Finance	Latvia
50	Janis Bokans	Deputy Head	Insurance Supervision Inspectorate	Latvia

50	Diana Joneniene	Senior Adviser to the Committee on Social Affairs and Labour	Seimas of the Republic of Lithuania	Lithuania
51	Edita Velickaite	Senior Specialist of Investment Management Department	Lithuanian Securities Commission	Lithuania
52	Egle Saltenyte	Chief Actuary of Life Assurance Division	State Insurance Supervisory Authority Under Ministry of Finance	Lithuania
53	Irma Lazickiene	Head of Investment Management Department	Lithuanian Securities Commission	Lithuania
54	Roma Dovydeniene	Member of Parliament	Seimas of the Republic of Lithuania	Lithuania
55	Vilija Nausedaite	Specialist of Enforcement Department	Lithuanian Securities Commission	Lithuania
56	Vitalijus Novikovas	Chief Legal Adviser of Social Insurance Division	Ministry of Social Security and Labour	Lithuania
57	Alejandro Forte Gomez	Senior Advisor	FG Consultores	Mexico
58	Ana Cecilia Angoitia Guerrero	International Affairs	National Commission for the Retirement Savings System	Mexico
59	Henk Nieuwenhuis	Advisor to the Board	Pension & Insurance Supervisory Board	Netherlands
60	Piet Keizer	Member of the Board	Pension & Insurance Supervisory Board	Netherlands
61	Lorena Masias	Deputy Superintendent for Private Pension Funds	Superintendency of Banks and Insurance	Peru
62	Malgorzata Kakol		Superintendency of Pension Funds	Poland
63	Marek Gora	Professor	Warsaw School of Economics	Poland
64	Pawel Pelc	Vice President	Superintendency of Pension Funds	Poland
65	M. Amelia Vicente	Director Supervision Department	Instituto de Seguros de Portugal	Portugal
66	Adina Tudosie	Expert - Insurance Department	Ministry of Labour	Romania
67	Cristian Toma	Director - Fraud Fight Department	National House of Pensions	Romania
68	Gabi Mateescu	Provisional Director - Pension Dept.	Ministry of Labour	Romania
69	Stefania Aghergheloaie	Counsellor	Ministry of Labour	Romania
70	William B. Taylor	Country Director	Financial Services Volunteer Corps	Romania
71	Dube Tshidi	Head: Pensions	Financial Services Board	South Africa
72	Edward Palmer	Head of the Division of Research and Evaluation	National Social Insurance Board	Sweden
73	Jens Schremmer	Project Manager; Complementary Pensions	International Social Security Association	Switzerland
74	Kurt Feller	Director / Vice Chairman	PEC Pension Education Center	Switzerland

75	Ali Haydar Elveren	Head of Department, Private Pensions	Undersecretariat of Treasury	Turkey
76	Chris Daykin		Government Actuary	UK
77	J Michael Orszag		Centre for Pensions and Social Insurance	UK
78	Kevin R. James	Financial Economist	Financial Services Authority	UK
79	Mike Wadsworth	Partner	Watson Wyatt Partners	UK
80	Alyona Babak	Local Expert, Pension Regulation	PADCO/USAID	Ukraine
81	Greg McTaggart	Director, Pension Reform Project	PADCO/USAID	Ukraine
82	Natalya Kovalyova	Principal Consultant	Finance and Banking Committee of the Ukrainian Parliament	Ukraine
83	Oleksander Savenko	Deputy Department Head	Ministry of Economy, Government of Ukraine	Ukraine
84	Oleksei Tarasenko	Deputy Department Head	Securities and Stock Market Commission, Government of Ukraine	Ukraine
85	Raisa Ushakova		Ministry of Finance, Government of Ukraine	Ukraine
86	Svetlana Dimitrenko	Deputy Head, Social Insurance	Ministry of Labour and Social Protection	Ukraine
87	Taras Antonenko	Principal Social Reform Specialist	Cabinet of Ministers, Government of Ukraine	Ukraine
88	Viktor Kolbun	Member, Pension Reform Working Group	Ministry of Labour and Social Protection	Ukraine
89	Zenaida Pikalova	Director	Pension Fund of Ukraine	Ukraine
90	Christopher Martin	Regional Program Director	Financial Services Volunteer Service	USA
91	David Lindeman		Financial Services Volunteer Corps	USA
92	Debra McFarland	Mission Director	USAID - Bulgaria	USA
93	Gregorio Impavido	Financial Economist	World Bank	USA
94	Paul Stone	Director of Accounting and Pension Reform	IOS Partners Inc.	USA
95	Robert Landmann	Project Manager	Carana Corp.	USA
96	Sarah B. Colley		East-West Management Institute	USA
97	William Foerderer	Director of Private Enterprise Sector	USAID - Bulgaria	USA
98	Zvi Bodie	Professor	Boston University	USA
99	Andre Laboul	OECD Secretariat	OECD	
100	Annamaria Marossy		OECD	
101	Juan Yermo	OECD Secretariat	OECD	

## GUESTS

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	Name	Organization
1	Betina Moreira	Centre for Economic Development
2	Charles Greeley	"Rodina"
3	Alexander Miloushev	SISA
4	Angel Terziev	"Newton Sila"
5	Bojidar Parvanov	SISA
6	Valentina Dinkova	SISA
7	Vasil Vladimirov	SISA
8	Veneta Ilieva	"Rodina"
9	Georgy Kerezov	SISA
10	Daniela Asenova	NSSI
11	Daniela Vladimirova	"Rodina"
12	Danka Shopova	NSSI
13	Desislava Tzoneva	SISA
14	Dimitar Bochev	SISA
15	Dimitar Ivanovski	Centre for Economic Development
16	Donka Ivanova	SISA
17	Dora Genkova	SISA
18	Evegeny Paskalev	SISA
19	Emil Dakov	NSSI
20	Ilian Tochev	NSSI
21	Iskra Taseva	
22	Kremena Shutilova	BPIA
23	Luba Iotova	SISA
24	Lubomir Stefanov	UNWE
25	Ludmila Vekova	"Rodina"
26	Maria Prohaska	Centre for Economic Development
27	Nadka Dikova	SISA
28	Ognyan Avramov	MLSP
29	Ralitza Gougleva	ASPIC
30	Sasho Iordanov	NSSI
31	Stoyan Toshev	"Doverie"
32	Tatyana Ikonomova	BPIA
33	Teodora Petkova	BPIA
34	Hristo Maleshkov	UNWE
35	Tzvetanka Misheva	SISA

## PARTICIPANTS

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2	Atanas Bojinov	ING Pension Insurance Association
3	Boryana Gotcheva	World Bank Mission in Bulgaria
4	Christina Kyuchukova	World Learning
5	Debra McFarland	USAID/Bulgaria
6	Denise Lamaute	USAID/Washington
7	Dimitar Ninov	Ministry of Finance
8	Dimitar Vuchev	"Rodina"
9	Doncho Barbalov	USAID/Bulgaria
10	Edward LaFarge	USAID/Bulgaria
11	Elina Skarbiu	MLSP
12	Evangelis Derviniotis	Australia
13	Evgeniy Jishev	Bulgarian Stock Exchange Commission
14	Frank Bauer	Bulgarian American Enterprise Fund
15	Gabriela Stoyanova	USAID/Bulgaria, Pension Reform Project
16	Galina Todorova	BPP
17	Georgy Georgiev	SISA
18	Gregorio Impavido	World Bank
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20	Hristina Mitreva	NSSI
21	Ivan Neikov	MLSP
22	Joe Lowther	MSI
23	Jordan Hristoskov	NSSI
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25	Kalina Kotzeva	BPP
26	Kiril Chervenkov	"Lukoil Garant"
27	Lalko Dulevsky	"Solidarnost"
28	Lou Enoff	NSSI
29	Ludmila Videnova	BPP
30	Malina Stefanova	American Center for International Labor Solidarity
31	Marieta Simova	American Center for International Labor Solidarity
32	Marieta Tzvetkova	Democracy Network Program
33	Marina Tzvetkova	BPP
34	Milena Boikova	Ministry of Finance
35	Neno Pavlov	"Dimitar Tzenov"
36	Nikola Abadjiev	SISA
37	Nikolay Nikolov	USAID/Bulgaria, Pension Reform Project
38	Nikolay Slavchev	Aliantz Bulgaria
39	Nikolay Todorov	MOBS Pensions and Insurance Consulting
40	Pedro Souss	USAID/Bulgaria, Pension Reform Project

41	Petar Boyadjiev	SISA
42	Petar Danailov	BPP
43	Rayna Dimitrova	USAID/Bulgaria
44	Rosa Chiappe	USAID/Bulgaria, Pension Reform Project
45	Rosen Alexandrov	"Newton Sila"
46	Rositza Velkova	SISA
47	Roumen Galabinov	AIG Life
48	Sheila Schenkol	US Treasury
49	Sofia Hristova	Aliantz Bulgaria
50	Susan Matthies	Health Reform Project
51	Tanya Bozukova	Health Reform Project
52	Teodora Nontcheva	NSSI
53	Thomas O'Brian	World Bank Mission in Bulgaria
54	Tom Power	Health Reform Project
55	Totyu Mladenov	Podkrepa
56	Varshava Maximova	MLSP
57	Veselka Donkova	Ministry of Finance
58	William Foerderer	USAID/Bulgaria
59	Yanko Ivanov	USAID/Bulgaria, Pension Reform Project